

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7451

BILL NUMBER: HB 1524

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Real property disposal by a political subdivision.

FIRST AUTHOR: Rep. Steuerwald

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Joint Appraisal:* This bill removes the requirement that when a political subdivision sells or leases surplus real property, the appraisers must make a joint appraisal.

Surplus Property: The bill provides that the disposing agent may sell or lease the surplus real property for a value that is less than 90% of the average of the two appraisals only after holding a public hearing. (Under current law, the disposing agent may sell or lease the property for less than 90% of the appraised value only after publishing an additional notice of sale.)

Economic Development: The bill also provides that in the case of a sale to promote an economic development project or to facilitate land use planning, real property may not be sold for less than the average of the two appraisals without a hearing.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Joint Appraisal:* Unless permitted by current law, surplus property to be sold or transferred by a political subdivision must be jointly appraised by two appraisers. Under this bill, the two appraisers would each make an individual appraisal.

Surplus Property: Under current law, the agent in charge of the sale has to post a notice setting forth the terms of the sale. The agent is permitted to sell the property for less than 90 percent of the joint appraised value only after posting a second notice of sale.

Under this bill, the agent would be permitted to sell the property for less than 90 percent of the average of the two appraisals only after holding a public hearing. After the hearing, the agent has the option of rejecting all bids or selling the property to the highest bidder.

Economic Development: Under current law, if the property is to be used to promote an economic development project or to facilitate land use planning, the agent cannot sell the property for less than the joint appraised value.

Under this bill, the agent would have the option of selling the property for less than the average of the two appraisals but only after holding a public hearing. After the hearing, the agent can reject all bids or sell the property to the highest bidder.

State Agencies Affected:

Local Agencies Affected: Political subdivisions.

Information Sources:

Fiscal Analyst: David Lusan, 317-232-9592.